
Section II

Statewide Overview

Summary

	FY 2014 Enacted	FY 2014 Final	FY 2015 Recommended	FY 2015 Enacted
Expenditures by Function*				
General Government	\$ 1,487.5	\$ 1,600.3	\$ 1,509.5	\$ 1,513.4
Human Services	3,305.8	3,423.8	3,527.3	3,743.1
Education	2,317.9	2,321.4	2,356.5	2,360.9
Public Safety	520.7	532.5	531.4	528.8
Natural Resources	120.9	107.6	100.1	108.8
Transportation	460.2	484.6	519.2	525.1
Total	\$ 8,213.1	\$ 8,470.2	\$ 8,544.0	\$ 8,780.2
Expenditures by Category*				
Salaries and Benefits	\$ 1,548.3	\$ 1,553.4	\$ 1,589.8	\$ 1,581.2
Contracted Services	277.0	342.5	281.0	280.9
Subtotal	\$ 1,825.3	\$ 1,895.9	\$ 1,870.8	\$ 1,862.1
Other State Operations	711.1	814.6	807.0	794.4
Aid to Local Units of Government	1,169.8	1,165.3	1,203.5	1,205.2
Assistance, Grants, and Benefits	3,710.0	3,810.6	3,844.1	4,069.2
Capital	382.1	378.1	396.2	412.5
Capital Debt Service	268.1	247.6	279.4	279.0
Operating Transfers	146.8	158.1	143.0	157.8
Total	\$ 8,213.1	\$ 8,470.2	\$ 8,544.0	\$ 8,780.2
Sources of Funds*				
General Revenue	\$ 3,359.8	\$ 3,352.4	\$ 3,456.1	\$ 3,445.2
Federal Aid	2,717.7	2,930.0	2,878.4	3,086.5
Restricted Receipts	255.0	278.7	258.9	283.1
Other	1,880.6	1,909.1	1,950.6	1,965.4
Total	\$ 8,213.1	\$ 8,470.2	\$ 8,544.0	\$ 8,780.2
FTE Authorization	15,118.3	15,100.3	15,097.0	15,086.0

**Data in millions*

Summary

The Governor's budget recommendations for FY 2015, along with his revisions to the FY 2014 enacted budget, are contained in 2014-H 7133, introduced on January 16, 2014. The Governor released his budget documents on January 15, 2014, following his State of the State address.

The 2004 Assembly amended the budget submission dates for the budget to be due on the third Thursday in January, or the first Thursday in February when a new Governor takes office. In prior years, it had been due the third Thursday in February.

The Governor recommended a total FY 2015 budget of \$8,544.0 million. Total expenditures increase \$330.9 million from the FY 2014 budget enacted by the 2013 Assembly, or 4.0 percent. His FY 2014 revised budget totals \$8,379.4 million; FY 2013 expenditures were \$7,709.3 million.

The Budget includes \$3,456.1 million of expenditures funded from general revenues, \$96.3 million, or 2.9 percent more than the enacted general revenue funded budget. They are also \$104.3 million more than his revised recommendations.

FY 2015	General				
	Revenue	Federal	Restricted	Other	All Funds
FY 2014 Enacted	\$ 3,359.8	\$ 2,717.7	\$ 255.0	\$ 1,880.6	\$ 8,213.1
Governor	3,456.1	2,878.4	258.9	1,950.6	8,544.0
Change to Enacted	\$ 96.3	\$ 160.7	\$ 3.9	\$ 70.0	\$ 330.9
Percent Change	2.9%	5.9%	1.5%	3.7%	4.0%
Assembly	\$ 3,445.2	\$ 3,086.5	\$ 283.1	\$ 1,965.4	\$ 8,780.2
Change to Enacted	85.4	368.9	28.0	84.8	567.1
Percent Change	2.5%	13.6%	11.0%	4.5%	6.9%
Change to Governor	\$ (10.9)	\$ 208.2	\$ 24.2	\$ 14.8	\$ 236.2
Assembly Change to FY 2014	\$ 92.8	\$ 156.5	\$ 4.3	\$ 56.3	\$ 310.0
Percent Change to FY 2014	2.8%	5.3%	1.6%	3.0%	3.7%
Assembly Change to FY 2013	\$ 229.1	\$ 566.7	\$ 84.7	\$ 190.4	\$ 1,070.9
Percent Change to FY 2013	7.1%	22.5%	42.7%	10.7%	13.9%

FY 2014 Revised	General				
	Revenue	Federal	Restricted	Other	All Funds
FY 2013 Final	\$ 3,233.8	\$ 2,723.2	\$ 269.3	\$ 1,875.3	\$ 8,101.6
FY 2013 Actual	3,216.0	2,519.8	198.4	1,775.0	7,709.3
Difference	\$ (17.8)	\$ (203.4)	\$ (70.9)	\$ (100.2)	\$ (392.3)
FY 2014 Enacted	\$ 3,359.8	\$ 2,717.7	\$ 255.0	\$ 1,880.6	\$ 8,213.1
Governor's FY 2014 Revised	3,351.7	2,822.8	279.4	1,925.5	8,379.4
Governor's Change to Enacted	\$ (8.0)	\$ 105.1	\$ 24.4	\$ 44.9	\$ 166.4
Percent Change	-0.2%	3.9%	9.6%	2.4%	2.0%
Assembly	\$ 3,352.4	\$ 2,930.0	\$ 278.7	\$ 1,909.1	\$ 8,470.2
Change to Enacted	(7.4)	212.3	23.7	28.5	257.1
Percent Change	-0.2%	7.8%	9.3%	1.5%	3.1%
Change to Governor	\$ 0.7	\$ 107.2	\$ (0.7)	\$ (16.4)	\$ 90.8

The Assembly adopted a budget with total expenditures of \$8,780.2 million, which is \$236.2 million more than the Governor recommended. It contains \$3,445.2 million from general revenues, which is \$10.9 million less than the Governor recommended. A significant portion of the changes in the budget relate to the impact of the federally funded extension of Medical Assistance benefits to non-disabled adults without dependent children.

House Fiscal Staff estimates that in preparing the FY 2015 budget, the Governor faced a projected revenue-expenditure gap of about \$140 million as of July. By November that had dropped to roughly \$100 million, because of increased resources from the FY 2013 closing, increased consensus revenue estimate for FY 2014 offset by a projected overspending issue. There was no significant change in the long term projection that the budget gap would grow to over \$400 million by FY 2018. The Governor's budget resolved a significant majority of this gap with the prior year surplus in addition to

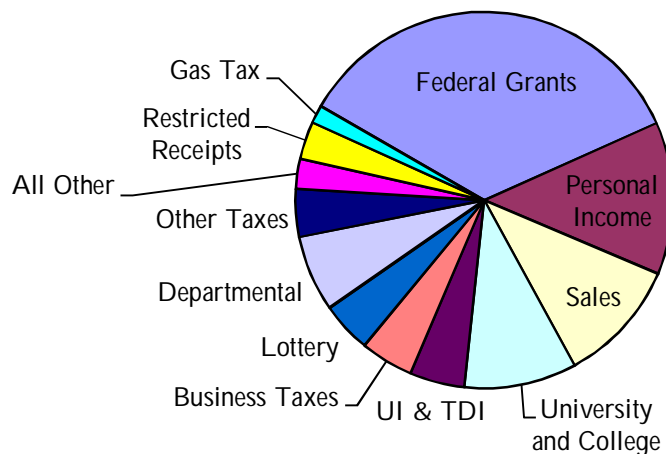
other non-recurring items. Reductions to spending in human service agencies also account for a large share of the deficit resolution.

Three post-budget events impacted the Governor's two year budget solution by about \$67 million. His administration reached agreements with most of major state employee unions that were expected to add about \$27.7 million to FY 2014 and FY 2015 expenses. May Caseload estimates showed the need for \$33.4 million in additional general revenue spending and that was only partially offset by an uptick in revenues of \$5.9 million.

The Assembly closed this new budget gap by accepting most of the Governor's budget reductions and rejecting some of his new spending initiatives. The enacted budget maximizes use of all other available funding sources such as federal and restricted funds and makes a number of changes to tax programs. It also assumes that departments and agencies will absorb the cost of the employee contracts without added appropriations. Additionally some of the caseload increases are expected to be reduced as the state begins a recertification process that had been suspended during rollout of the Affordable Care Act.

The revenue sources for the enacted budget are shown in the following graph. They include a number of changes to current law, all of which are described in *Section VI, Special Reports: Revenues Changes*.

Sources of Funds



- *Federal funds* continue to be the single largest source, accounting for approximately 35 percent of all revenues in FY 2015. Recommended expenditures from federal sources of \$3,086.5 million are \$482.4 million more than enacted for FY 2015, an 18.5 percent increase, and are from 296 different federal programs.

Medicaid is the single largest source of federal funds. The Budget includes \$1,624.1 million from Medicaid, 52.6 percent of all federal funds, and 18.4 percent of all revenues. Federal Highway funding of \$318.3 million is the second largest category, 10.3 percent of federal funds.

The following table shows the ten largest sources, along with the percent of total federal expenditures attributable to each. They account for 81.9 percent of all federal funds expenditures, with the remaining 286 programs accounting for the other 18.1 percent.

Top Ten Federal Sources	<i>Total</i>	<i>Percent of Total</i>	<i>Cumulative Percent</i>
Medicaid	\$1,624,057,380	52.6%	52.6%
Federal Highway Funds	318,271,222	10.3%	62.9%
Supplemental Nutrition (Food Stamps)	300,607,138	9.7%	72.6%
Temporary Assistance to Needy Families (TANF)	79,556,474	2.6%	75.2%
Title I Grants to Local Education Agencies	50,610,420	1.6%	76.9%
Special Education Grants to States	45,152,230	1.5%	78.3%
National School Lunch Program	30,372,734	1.0%	79.3%
CHIP Children's Health Insurance	30,276,021	1.0%	80.3%
Women, Infants and Children (WIC)	26,057,877	0.8%	81.1%
Rhode Island Health Benefits Exchange	23,613,088	0.8%	81.9%

- *Sales and personal income taxes* combine for 23.7 percent of all revenues in FY 2015 and 60.0 percent of all general revenues. Combined with federal funds, they total over half, 58.7 percent.
- *Personal Income taxes* of \$1,157.1 million are the second largest of all revenue sources and the largest source of general revenues. The FY 2015 estimate is \$76.3 million more than the FY 2014 enacted budget estimates, or 7.1 percent.
- *Sales tax* revenues of \$939.6 million are the second largest of general revenue sources. That amount is \$52.9 million more than enacted for FY 2014, or 6.0 percent.
- *University and College Funds* are \$849.7 million and 9.6 percent of all sources, including tuition, revenues from the operation of enterprise type activities such as residence and dining halls, sponsored research, the direct student loan program, and federal scholarship and grant funds like Pell grants. These increase \$15.1 million or 1.8 percent over FY 2014 enacted estimates.
- *Employment Security and Temporary Disability Insurance* payments are estimated at \$417.2 million, which are \$160.0 million less than the levels estimated for the FY 2014 enacted budget.
- *Business taxes* of \$402.4 million account for 4.6 percent of total revenues and 11.5 percent of general revenues for FY 2015. They would increase \$33.2 million or 9.0 percent from the enacted estimate. These include corporate income tax, public utilities gross earnings, the tax on banks, financial institutions, insurance companies and health care institutions.
- The *Lottery* is expected to contribute \$384.5 million, which is 4.4 percent of all revenues and 11.0 percent of general revenues.
- *Departmental Revenues* of \$360.7 million include \$156.1 million from extending the hospital licensing fee another year. Departmental revenues would be 4.1 percent of all revenues and 10.3 percent of general revenues.
- *Other taxes* include motor vehicle, cigarettes, alcohol, inheritance, realty transfer, and racing and athletics. These total \$230.8 million in the FY 2015 budget and comprise 2.6 percent of all sources but 6.6 percent of general revenues. Beginning with FY 2015, most of the motor vehicle taxes are

being transitioned over a four-year period from general revenue to a restricted use transportation account.

- The *gas tax*, currently 32.5 cents per gallon, not including the one-half cent for the Underground Storage Tank Financial Responsibility Fund, is estimated to produce \$4.19 million from each cent in FY 2015 for a total of \$138.4 million.
- The remaining sources, estimated at \$861.1 million, constitute 9.8 percent of all FY 2015 sources and include sources dedicated to specific purposes (restricted receipts), unclaimed property and miscellaneous other items.

The following table shows FY 2015 sources with items contributing to general revenues in bold type. It also shows the total percent it contributes to all funds and general revenues for each source.

<i>All Sources</i>	<i>All Funds</i>	<i>Contribution</i>	<i>General Revenue</i>	<i>Contribution</i>
Federal Grants	\$ 3,086.5	35.0%	\$ -	0.0%
Personal Income	1,157.1	13.1%	1,157.1	33.1%
Sales	939.6	10.6%	939.6	26.9%
University and College	849.7	9.6%	-	0.0%
UI & TDI	417.2	4.7%	-	0.0%
Business Taxes	402.4	4.6%	402.4	11.5%
Lottery	384.5	4.4%	384.5	11.0%
Departmental	360.7	4.1%	360.7	10.3%
Other Taxes	230.8	2.6%	230.8	6.6%
All Other	578.1	6.5%	18.0	0.5%
Restricted Receipts	283.1	3.2%	-	0.0%
Gas Tax	138.4	1.6%	-	0.0%
Total	\$ 8,828.1	100%	\$ 3,493.1	100%

General Revenue Sources

Less than half of the total funds collected or received from all sources are considered as general revenues; \$3,493.1 million, 40.0 percent of all sources. They can be used for any legitimate purpose in contrast to federal funds, restricted receipts, and certain other sources that may only be used for specific purposes.

The Consensus Revenue Estimating Conference estimates the amount of general revenues annually in November and May. It is composed of the Budget Officer, the Senate Fiscal Advisor, and the House Fiscal Advisor who must achieve consensus on their forecast; votes are not taken. The estimates are to be based upon current law at the times of the conferences.

Available general revenues also include a balance forward from FY 2014 of \$59.2 million minus transfer of \$106.6 million to the Budget Stabilization and Cash Reserve Account, or "rainy day fund" to be used in case of emergency, and then only by legislative action. Three percent of the opening surplus plus all revenues must be deposited in the account. These amounts had been increasing by 0.2 percent per year until reaching 3.0 percent in FY 2013. Any amounts used must be replaced in the following year.

The account is limited; once the limit is reached, the excess revenues are transferred to the Rhode

Island Capital Plan account, where they may be used to fund capital projects. Maximum amounts in the budget reserve are also defined by statute and increased to a maximum of 5.0 percent in 0.4 percent increments in FY 2013. Amounts above the maximum amount transfer to the Rhode Island Capital Plan Fund for use for capital projects. The table below shows the percents.

Percents of Revenues	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Transfer to Budget Reserve	2.0%	2.2%	2.4%	2.6%	2.8%	3.0%
Budget Reserve Maximum	3.0%	3.4%	3.8%	4.2%	4.6%	5.0%

The voters approved a constitutional amendment in 2006 to allow the capital account to be used solely for capital projects beginning in FY 2008 and to increase the Budget Stabilization and Cash Reserve Account to five percent and mandating that three percent of the opening surplus and all revenues must be deposited in the account by FY 2013.

FY 2015 Expenditures

The Assembly enacted expenditures of \$8,780.2 million. This is \$567.1 million more than enacted for FY 2014, 6.9 percent. They can be divided into a functional classification of expenditures that aggregates agencies with like programs and purposes into the six functions used: general government, human services, education, public safety, natural resources, and transportation. Viewing expenditures functionally offers a look at what they do or provide for.

Expenditures by Function

- The *Human Services* function includes all programs for medical assistance, supplemental security income, cash assistance, day care, elderly services, adjudicated youth, mental health, general health, developmental disabilities, children under the care and jurisdiction of the state, and the state's general hospitals. Expenditures of \$3,743.1 million are 42.6 percent of all expenditures and 39.0 percent of those funded from general revenues. These expenditures are \$437.3 million more than enacted for FY 2014 by the 2013 Assembly. Those funded from general revenues are \$24.1 million more.
- *Education* includes programs of elementary and secondary education, public higher education, scholarships and grants for all higher education, arts, and historical preservation and heritage. Education aid to local units of government represents 47.7 percent of total expenses or, \$1,126.9 million of the \$2,360.9 million. Education aid is discussed in detail in *Section VI* of this volume, *Special Reports: Education Aid*. Education expenditures comprise 26.9 percent of total expenditures, but 34.8 percent of general revenue funded ones. They increase by \$43.0 million over the enacted FY 2014 budget, and those funded from general revenues increase by \$46.7 million.
- The Budget includes \$528.8 million for *Public Safety* expenditures, \$8.1 million more than the enacted budget. They comprise 6.0 percent of all expenditures and 12.0 percent of those funded from general revenues.
- *Natural Resources* programs would spend \$108.8 million, which is \$12.1 million less than enacted for FY 2014. They are 1.2 percent of total expenditures and 1.1 percent of those from general revenues.
- *Transportation* programs account for 6.0 percent of expenditures and include the state's highway and transit programs. Funding of \$525.1 million, none from general revenues, is \$64.9 million more than enacted for FY 2014.

- The remaining 17.2 percent of expenditures, \$1,513.4 million, are for the *General Government* programs. These include programs that support all other functions as well as general type activities. Examples of the former include the Ethics Commission and the Department of Administration. Examples of the latter include the general officers except the Attorney General, the Board of Elections, and the Department of Labor and Training. Expenditures also include all the state's debt service except that for higher education and the transportation Grant Anticipation Revenue Vehicle bonds. General Government expenditures are \$25.9 million or 1.7 percent more than the enacted budget.

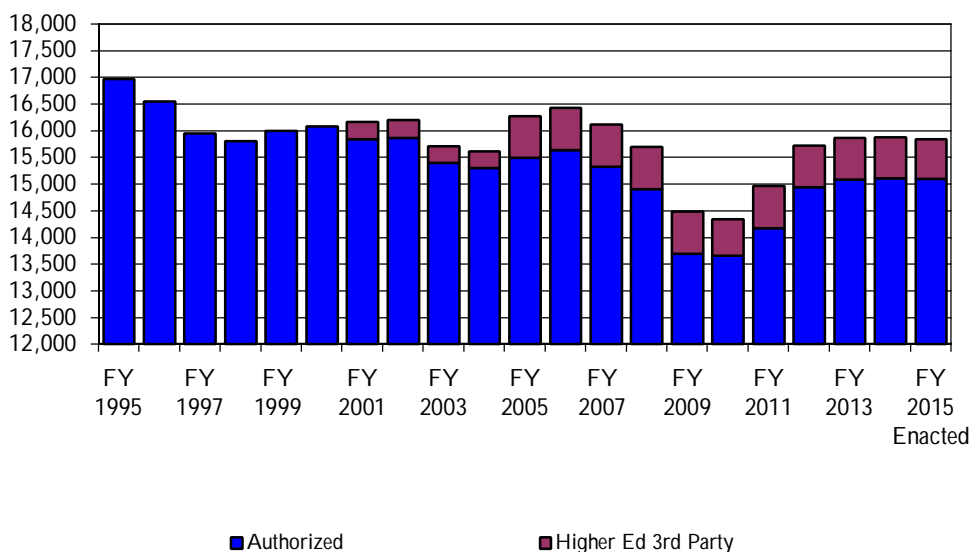
Expenditures by Category

Expenditures are also aggregated and presented by accounting categories that designate what is purchased as opposed to the purpose of expenditures. The categories include: state operations; local aid; assistance, grants and benefits; capital; and operating transfers.

State Operations are the day-to-day expenses of state government. These expenditures include *personnel* and *other operating* expenditures. Personnel expenditures include *salaries and benefits* including fringe benefits, workers' compensation and unemployment compensation, and *contracted professional services*. *Other operating* expenditures are the non-personnel day-to-day expenses of state government, including maintenance and non-fixed capital assets.

The Budget includes \$1,581.2 million for total *salaries and benefits* for 15,086.0 full-time equivalent positions and *contracted services* expenditures of \$280.9 million. Salary and benefit expenditures are \$32.9 million more than the enacted budget; contracted services expenditures would increase \$3.9 million. Salaries and benefits account for 18.0 percent of total expenditures and 24.1 percent of those funded from general revenues. Expenditures for contracted services account for 3.2 percent of the total budget and 1.5 percent of those funded from general revenues.

Full-Time Equivalent Positions



The total personnel expenditures are the costs associated with all positions in state service, excluding those funded through internal service accounts. These accounts are funded from operating charges to state agencies for overhead type services provided by the individuals funded from the accounts. These costs are treated in the budget as operating expenses; the personnel and operating costs in the internal service accounts are essentially off line to avoid double counting. The largest ones were converted to direct appropriations by the 2006 Assembly in the FY 2008 enacted budget.

The Budget includes \$794.4 million for *other state operations*, which constitutes 9.0 percent of FY 2015 expenditures from all sources and 3.7 percent of those funded with general revenues. This is \$83.3 million more than enacted, \$0.8 million from general revenues. Most of the changes are from a \$97.2 million adjustment for commission payments for the lottery excluded from the enacted budget.

Assistance, Grants, and Benefits constitutes payments to individuals and nongovernmental agencies. These payments include Medicaid and other medical assistance programs including Rite Share and Rite Care, pharmaceutical assistance programs, cash assistance, and tuition assistance programs. They also include grants to environmental agencies, local law enforcement agencies, unemployment compensation, temporary disability and workers' compensation. This is the largest category of expenditure. The table below shows the major grants in human services.

OHHS-Human Services Grants	All Funds				General Revenues			
	FY 2013 Reported	FY 2014 Final	FY 2015 Enacted	Change	FY 2013 Reported	FY 2014 Final	FY 2015 Enacted	Change
<i>OHHS/Human Services</i>								
Managed Care	\$ 549.5	\$ 593.2	\$ 582.0	\$ (11.2)	\$ 255.6	\$ 281.7	\$ 278.9	\$ (2.8)
Long Term Care	434.4	459.5	211.0	(248.5)	211.8	227.9	102.4	(125.5)
Hospitals	211.3	218.9	164.5	(54.5)	102.0	107.5	82.1	(25.4)
Rhody Health Partners	185.0	202.3	188.7	(13.6)	89.9	100.7	94.8	(5.9)
Rhody Health Options	-	-	330.0	330.0	-	-	163.3	163.3
Other	117.0	205.7	420.2	214.5	41.5	46.0	46.0	-
Pharmacy	49.6	52.0	50.6	(1.3)	50.2	51.7	51.1	(0.6)
Subtotal: Medical Assistance	\$1,546.7	\$1,731.7	\$1,947.0	\$215.4	\$ 751.0	\$ 815.5	\$ 818.6	\$ 3.1
Child Care	\$ 48.7	\$ 49.2	\$ 51.1	\$ 2.0	\$ 9.6	\$ 9.7	\$ 9.7	\$ -
Rhode Island Works Program	38.8	35.9	35.6	(0.4)	-	-	-	-
SSI State Program	18.2	18.4	18.6	0.2	18.2	18.4	18.6	0.2
Subtotal: Cash Assistance	\$ 105.7	\$ 103.5	\$ 105.3	\$ 1.8	\$ 27.8	\$ 28.1	\$ 28.2	\$ 0.2
Supplemental Nutrition Assistance	\$ 300.6	\$ 300.6	\$ 300.6	\$ -	\$ -	\$ -	\$ -	\$ -
Women, Infants and Children	18.6	19.4	19.4	-	-	-	-	-
Low Income Heating and Energy Assistance Program (LIHEAP)	20.2	36.5	24.5	(12.0)	-	-	-	-
Weatherization	5.1	0.6	0.4	-	-	-	-	-
Race to the Top	-	8.9	7.9	(1.0)	-	-	-	-
HIV/AIDS Treatment	5.0	4.2	3.7	(0.5)	0.6	0.2	-	(0.2)
Subtotal: Other Assistance	\$ 349.6	\$ 370.2	\$ 356.5	\$ (13.5)	\$ 0.6	\$ 0.2	\$ -	\$ (0.2)
<i>DHS/Division of Elderly Affairs</i>								
RIPAE/Supplemental Pharm.	\$ 0.2	\$ 0.1	\$ 0.2	\$ 0.1	\$ -	\$ -	\$ 0.0	\$ 0.0
Medical Assistance	20.4	9.5	8.5	(1.0)	9.8	4.7	4.2	(0.5)
Other Grants	7.5	7.5	7.5	(0.0)	1.3	1.3	1.3	-
<i>Behavioral Healthcare, Developmental Disabilities and Hospitals</i>								
Developmental Disabilities	\$ 183.8	\$ 183.7	\$ 183.5	\$ (0.3)	\$ 89.6	\$ 90.4	\$ 91.1	\$ 0.7
Behavioral Healthcare	95.5	89.0	14.5	(74.5)	32.1	37.6	0.3	(37.3)
<i>Children, Youth and Families</i>								
Child Welfare	\$ 114.5	\$ 122.2	\$ 117.6	\$ (4.6)	\$ 80.9	\$ 87.4	\$ 85.5	\$ (1.9)
Children's Behavioral Health	13.7	8.6	7.6	(1.0)	8.0	3.5	3.5	-
Juvenile Corrections	7.7	2.7	2.3	(0.4)	6.6	2.7	2.3	(0.4)
Higher Ed. Incentive Grants	0.2	0.2	0.2	-	0.2	0.2	0.2	-
<i>Health</i>								
HIV Surveillance	\$ 0.6	\$ 0.5	\$ 0.5	\$ -	\$ 0.1	\$ -	\$ -	\$ -
Tobacco and Smoking Cessation	0.5	0.4	0.3	(0.1)	0.1	0.0	0.0	-
Other Grants	11.6	15.8	16.4	0.6	1.2	1.3	0.8	(0.5)

Assistance, grants, and benefits are \$4,069.2 million and constitute the largest category, 46.3 percent of all expenditures and 34.5 percent of general revenue funded expenditures. While these include employment security and temporary disability fund expenditures, human services medical assistance, food stamps, and cash assistance make up most of these expenditures. These expenditures are \$359.2 million more than the enacted budget considering all sources, and \$15.2 million more from general revenues.

Local Aid, or *Aid to Local Units of Government*, is payments made to governmental units with taxing authority. It includes both aid to local governments designed to decrease property tax reliance and education aid. The budget includes \$1,205.2 million for *aid to local units of government* that includes \$1,126.9 million in education aid and \$78.3 million in general state aid. Education aid increases \$30.4 million while general aid increases \$5.0 million. These expenditures comprise 13.7 percent of all expenditures. However, they comprise 30.1 percent of general revenue funded ones.

Local aid expenditures from general revenues of \$1,038.3 million consist of \$961.0 million in education aid and \$77.3 million in general state aid. General revenue funded education aid increases \$38.6 million; general aid is \$5.1 million more. Local aid is discussed in detail in *Section VI* of this volume, *Special Reports: State Aid to Local Governments* and *Special Reports: Education Aid*.

Capital expenditures have in the past included only direct pay capital improvements and debt service on financed capital improvements. Expenditures for direct pay are reflected in the years that the payments are made. Financed capital improvements are reflected as the annual debt service payments. Therefore, total capital expenditures for any year are not reflected in the budget. They are, however, presented annually in the capital budget presented as part of the Governor's budget.

Capital expenses total \$412.5 million, or 4.7 percent of all expenditures; debt service of \$279.0 million is 3.2 percent. Capital expenditures would be \$30.5 million more than enacted for FY 2014 and debt service \$11.0 million more. A comprehensive review of the capital budget is contained in *Section IV: Capital Budget*. However, they now include capital purchases that had formerly been included as capital outlays within state operations as part of capital. The purpose may be to include all fixed assets above certain threshold values of cost and time. The Budget does not present sufficient information to break the new items out from the old.

Operating Transfers are transfers between different funds and to component units of state government. They had been part of other categories in past budgets. Transfers to component units include transfers from general revenues to quasi-public agencies, such as the transfer to the Commerce Corporation. They also represent transfers within state agencies from funds distinct from the general fund. An example is transfers from the Department of Labor and Training to the three Rhode Island institutions of higher education. These transfers double count expenditures that appear elsewhere in this budget or in other state agencies. They total \$157.8 million and constitute 1.8 percent of the total budget. The general revenues portion is \$8.5 million, 0.2 percent of general revenue funded expenditures.

General Revenue Surplus Statement

The Governor recommended an ending FY 2015 surplus of \$0.4 million, and an operating deficit of \$68.8 million reflecting use of the FY 2014 surplus. The Assembly adopted an FY 2015 budget with an ending surplus of \$0.6 million, and an operating deficit of \$58.6 million.

	FY 2013	FY 2014	FY 2015
Opening Surplus			
Free Surplus	\$ 115,187,511	\$ 104,119,715	\$ 59,210,129
Reappropriated Surplus	7,726,521	7,052,524	-
Subtotal	\$ 122,914,032	\$ 111,172,239	\$ 59,210,129
Revenues	3,323,998,820	3,416,041,280	3,493,103,389
Cash Stabilization Fund	(103,175,590)	(105,604,830)	(106,569,406)
Total Available Resources	\$ 3,343,737,262	\$ 3,421,608,689	\$ 3,445,744,112
Total Expenditures	\$ 3,216,046,418	\$ 3,352,398,560	\$ 3,445,169,968
Total Surplus	\$ 127,690,844	\$ 69,210,129	\$ 574,144
Transfers: Retirement, IT, Fleet & Accelerated Depreciation	(16,518,605)	(10,000,000)	-
Reappropriations	(7,052,524)	-	-
Free Surplus	\$ 104,119,715	\$ 59,210,129	\$ 574,144
<i>Operating Surplus/(Deficit)</i>	<i>12,503,333</i>	<i>(34,909,586)</i>	<i>(58,635,985)</i>
Budget Stabilization and Cash Reserve	\$ 171,959,317	\$ 176,008,050	\$ 177,615,676
Percent of Revenues	5.2%	5.2%	5.1%

The budget reserve and cash stabilization account, the “rainy day fund” would have ending balances of \$172.0 million in FY 2013, \$176.0 million in FY 2014, and \$177.6 million in FY 2015. The account receives 3.0 percent of general revenues plus free surplus annually.

Out-Year Forecasts

House Fiscal Staff estimates that in preparing the FY 2015 budget, the Governor faced a projected revenue-expenditure gap of about \$140 million as of July. By November, that had dropped to roughly \$100 million because of increased resources from the FY 2013 closing, an increased consensus revenue estimate for FY 2014 offset by a projected overspending issue. There was no significant change in the long term projection that the budget gap would grow to over \$400 million by FY 2018.

The Governor’s budget projected the out-years again to be significantly unbalanced. The forecast included with the budget estimates a \$151.1 million gap for FY 2016, equating to 4.4 percent of useable revenues, that grows to \$419.3 million in FY 2019, 11.5 percent of useable revenues. The FY 2016 gap is due to the significant use of one-time items in the resolution of the current budget gap as well as commitment of future expenses not reflected in FY 2015. The estimate also reflects a loss of almost \$37 million from the potential impact of casino gaming in Massachusetts. Those losses account for nearly \$140 million or one third of the FY 2019 gap.

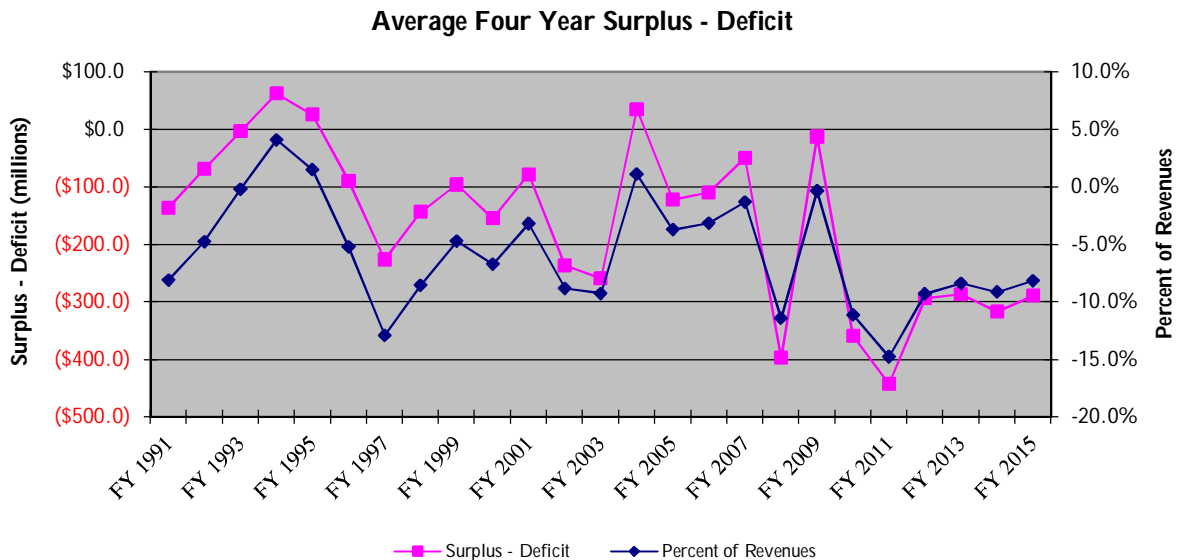
The budget improves but does not resolve the out-year budget gaps which remain significant. It does move a number of projects, that the Governor had proposed be debt financed to pay-as-you-go sources, thereby limiting expenses in the out years. Conversely, the proposed increases to transportation funding do incrementally decrease available general revenues for other purposes, lowering available resources in the out years.

	FY 2016	FY 2017	FY 2018	FY 2019
Opening Surplus	\$ 0.6	\$ -	\$ -	\$ -
Revenues	3,549.6	3,593.9	3,659.7	3,732.1
Cash Stabilization Fund	(106.5)	(107.8)	(109.8)	(112.0)
Useable Revenues	\$ 3,443.6	\$ 3,486.0	\$ 3,549.9	\$ 3,620.2
Expenditures	3,566.0	3,717.5	3,865.3	4,010.7
Total Surplus	\$ (122.4)	\$ (231.4)	\$ (315.4)	\$ (390.5)
Revenue Growth	3.9%	1.2%	1.8%	2.0%
Useable Revenue Growth	4.0%	1.2%	1.8%	2.0%
Expenditure Growth	6.4%	4.2%	4.0%	3.8%
Surplus Percent of Useable Revenues	-3.6%	-6.6%	-8.9%	-10.8%

The largest single contributor to the FY 2015 deficit that required solving was the use of one-time solutions to the FY 2014 budget, including the FY 2013 surplus. The newly forecasted deficit for FY 2016 is also largely due to the use of one-time items in the resolution of the current budget gap. Beginning in FY 2016, the estimate reflects the potential impact of casino gaming in Massachusetts. Those losses account for nearly one third of the FY 2019 gap.

Budgets in the early 1990s had out-year deficits projected for the subsequent budget cycle. By the FY 1994 budget, however, the upcoming years were balanced. Beginning with the FY 1996 budget, budgets were recommended with increasingly larger structural deficits. While deficits cannot constitutionally occur, they indicate the extent to which unresolved structural issues will carry through budgets, and to the extent that the problem in any given year is solved without addressing the underlying structural problem, the deficits amplify each year. Out-year deficits began increasing and reached a high of over \$535 million in Governor Carcieri's final budget.

Governor Chafee's outlook for FY 2016 assumed a \$150.8 million deficit, which represents 4.4 percent of usable revenues. That grows to \$419.3 million and 11.5 percent of revenues by FY 2019; deficits during the four-year period average \$289.4 million and 8.2 percent of revenues. The following chart shows the average surpluses and deficits for the four out-years for each of the proposed budgets since FY 1991.

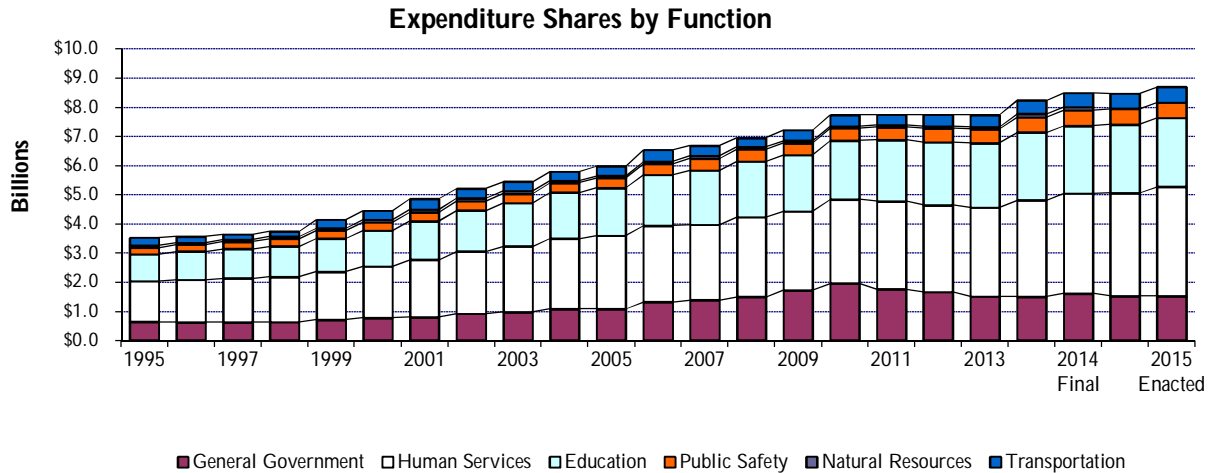


However, out-year projections are a function of both the assumptions made concerning revenues and expenditures and the structure of the budget. That is, the out-year projections are a function of assumed revenue and expenditure growth patterns for FY 2016 through FY 2019 and the FY 2015 budget itself. The growing out-year gaps illustrate the fact that expenditures are projected to grow at faster rates than revenues grow. The economic data used for the Governor's budget is from the November consensus economic forecast. This had been revised from earlier projections and was revised again in May.

Fiscal staff's projections generally use the expenditure growth assumptions consistent with the Governor's budget but modified for changes the Assembly enacted and updated information such as the impact of savings proposals and the use of less debt financing. Staff's revenue projections differ from those in the Governor's outlook in that they reflect the updated forecast and actions taken in the budget. Additionally, they use different assumptions regarding revenue growth. Both estimates include similar casino impacts. The first official revenue estimate for FY 2016 will be established at the November 2014 Revenue Estimating Conference.

Distribution of Total Expenditures

Expenditures can be aggregated a number of ways. In Rhode Island, we have tended to aggregate by *function* and by *category of expenditure*. The functional classification aggregates agencies with like programs and purposes into the six functions used: general government, human services, education, public safety, natural resources, and transportation. Viewing expenditures functionally offers a look at what they do or provide for.



General Government programs include the regulatory and administrative functions that support all other functions and all the general officers except the Attorney General, whose expenditures are classified under Public Safety.

Human Services includes all programs for medical assistance, supplemental security income, cash assistance, day care, elderly services, adjudicated youth, mental health, general health, developmental disabilities, children under the care and jurisdiction of the state, and the state’s general hospitals.

Education includes programs of elementary and secondary education, public higher education, scholarships and grants for all higher education, arts, and historical preservation and heritage.

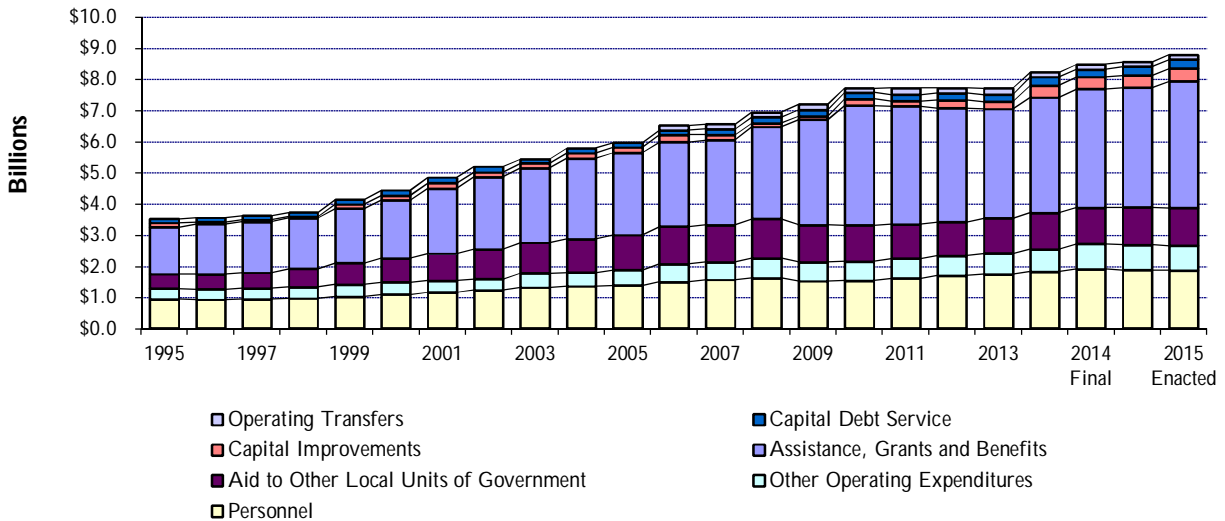
Public Safety includes the state’s law enforcement, adjudication, and penal programs.

The *Natural Resources* function includes the programs that protect the natural and physical resources of the state through regulation and planning and that provide safe recreational resources.

Transportation programs include all highway and transit programs, except airports, which are under the quasi-public Rhode Island Airport Corporation.

Expenditures are also aggregated and presented by accounting categories that designate what is purchased as opposed to the purpose of expenditures. The categories include: state operations; local aid; assistance, grants, and benefits, capital; and operating transfers.

Expenditure Shares by Category



State Operations are the day-to-day expenses of state government. These expenditures include *personnel* and *other operating* expenditures. *Personnel* expenditures include salaries and wages, fringe benefits, workers' compensation and unemployment compensation, and consultant services. *Other operating* expenditures are the non-personnel day-to-day expenses of state government, including maintenance and non-fixed capital assets.

Local Aid, or *Aid to Local Units of Government*, is payments made to governmental units with taxing authority. It includes both aid to local governments designed to decrease property tax reliance and education aid.

Assistance, Grants, and Benefits constitutes payments to individuals and nongovernmental agencies. These payments include Medicaid and other medical assistance programs including Rlte Share and Rlte Care, pharmaceutical assistance programs, cash assistance, and tuition assistance programs. They also include grants to environmental agencies, local law enforcement agencies, and unemployment compensation, temporary disability and workers' compensation. This is the largest category of expenditure.

Capital expenditures include both direct pay *capital improvements* and *debt service* on financed capital improvements. Expenditures for direct pay are reflected in the years that the payments are made. Financed capital improvements are reflected as the annual debt service payments. Therefore, total capital expenditures for any year are not reflected in the budget.

However, the Budget now includes capital purchases that had formerly been included as capital outlay within state operations as part of capital. The purpose may be to include all fixed assets above certain threshold values of cost and time. The Budget does not present sufficient information to break the new items out from the old.

Operating Transfers are transfers between different funds and to component units of state government. They had been part of other categories in past budgets. Transfers to component units include transfers to quasi-public agencies, such as the transfer to the Commerce Corporation. There are also instances where these expenses are already represented elsewhere in the budget thus double-counting the expenditure.

Staff has reviewed the Governor's recommended changes to the enacted budget for each agency and department, and compared them to the changes requested by those agencies and departments. These analyses are presented in the next section along with the Assembly's final action on those items. The agencies and departments are arranged by function.

Distribution Tables

The distribution tables on the following pages array expenditures by function and category. Expenditures by function are read down the table while expenditures by category are read across. The percentages shown in the table represent the percent of the total shown in each cell.

Expenditures from All Funds

FY 2013 Reported	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 209.2 2.7%	\$ 334.3 4.3%	\$ 482.9 6.3%	\$ 347.3 4.5%	\$ 48.9 0.6%	\$ 54.7 0.7%	\$ 1,477.2 19.2%
Contracted Services	40.4 0.5%	78.5 1.0%	78.1 1.0%	15.1 0.2%	5.3 0.1%	40.2 0.5%	257.7 3.3%
Other State Operations	325.6 4.2%	84.4 1.1%	197.5 2.6%	43.6 0.6%	9.0 0.1%	16.8 0.2%	676.9 8.8%
Aid to Local Units of Government	67.8 0.9%	- 0.0%	1,050.6 13.6%	- 0.0%	- 0.0%	- 0.0%	1,118.4 14.5%
Assistance, Grants, & Benefits	590.3 7.7%	2,543.2 33.0%	304.3 3.9%	50.9 0.7%	4.8 0.1%	21.4 0.3%	3,514.8 45.6%
Capital	20.9 0.3%	4.9 0.1%	43.5 0.6%	16.9 0.2%	4.2 0.1%	137.0 1.8%	227.4 2.9%
Debt Service	172.5 2.2%	- 0.0%	51.7 0.7%	- 0.0%	- 0.0%	- 0.0%	224.2 2.9%
Operating Transfers	69.7 0.9%	2.2 0.0%	2.8 0.0%	- 0.0%	- 0.0%	137.9 1.8%	212.7 2.8%
Total	\$ 1,496.4 19.4%	\$ 3,047.5 39.5%	\$ 2,211.4 28.7%	\$ 473.8 6.1%	\$ 72.2 0.9%	\$ 408.0 5.3%	\$ 7,709.3 100.0%

FY 2014 Enacted	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 222.9 2.7%	\$ 354.9 4.3%	\$ 491.7 6.0%	\$ 360.1 4.4%	\$ 49.7 0.6%	\$ 69.0 0.8%	\$ 1,548.3 18.9%
Contracted Services	47.3 0.6%	82.1 1.0%	76.4 0.9%	20.6 0.3%	13.6 0.2%	37.0 0.5%	277.0 3.4%
Other State Operations	306.5 3.7%	91.8 1.1%	213.6 2.6%	47.3 0.6%	12.1 0.1%	39.8 0.5%	711.1 8.7%
Aid to Local Units of Government	73.2 0.9%	- 0.0%	1,096.5 13.4%	- 0.0%	- 0.0%	- 0.0%	1,169.8 14.2%
Assistance, Grants, & Benefits	529.6 6.4%	2,746.0 33.4%	331.5 4.0%	56.9 0.7%	6.1 0.1%	39.9 0.5%	3,710.0 45.2%
Capital	53.2 0.6%	24.7 0.3%	55.6 0.7%	35.8 0.4%	39.4 0.5%	173.4 2.1%	382.1 4.7%
Debt Service	215.4 2.6%	- 0.0%	52.6 0.6%	- 0.0%	- 0.0%	- 0.0%	268.1 3.3%
Operating Transfers	39.4 0.5%	6.2 0.1%	- 0.0%	- 0.0%	0.1 0.0%	101.2 1.2%	146.8 1.8%
Total	\$ 1,487.5 18.1%	\$ 3,305.8 40.3%	\$ 2,317.9 28.2%	\$ 520.7 6.3%	\$ 120.9 1.5%	\$ 460.2 5.6%	\$ 8,213.1 100.0%

Expenditures from All Funds

FY 2015 Recommended	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 230.1 2.7%	\$ 365.1 4.3%	\$ 505.3 5.9%	\$ 366.0 4.3%	\$ 50.3 0.6%	\$ 73.1 0.9%	\$ 1,589.8 18.6%
Contracted Services	43.3 0.5%	105.2 1.2%	68.1 0.8%	17.4 0.2%	7.8 0.1%	39.2 0.5%	281.0 3.3%
Other State Operations	405.5 4.7%	89.4 1.0%	211.1 2.5%	49.4 0.6%	11.7 0.1%	39.9 0.5%	807.0 9.4%
Aid to Local Units of Government	73.3 0.9%	- 0.0%	1,130.2 13.2%	- 0.0%	- 0.0%	- 0.0%	1,203.5 14.1%
Assistance, Grants, & Benefits	460.0 5.4%	2,936.4 34.4%	343.5 4.0%	55.1 0.6%	6.2 0.1%	42.8 0.5%	3,844.1 45.0%
Capital	37.0 0.4%	25.0 0.3%	43.4 0.5%	43.5 0.5%	24.0 0.3%	223.2 2.6%	396.2 4.6%
Debt Service	224.5 2.6%	- 0.0%	54.9 0.6%	- 0.0%	- 0.0%	- 0.0%	279.4 3.3%
Operating Transfers	35.7 0.4%	6.2 0.1%	- 0.0%	- 0.0%	0.1 0.0%	101.1 1.2%	143.0 1.7%
Total	\$ 1,509.5 17.7%	\$ 3,527.3 41.3%	\$ 2,356.5 27.6%	\$ 531.4 6.2%	\$ 100.1 1.2%	\$ 519.2 6.1%	\$ 8,544.0 100.0%

FY 2015 Recommended Change to Enacted	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 7.2 2.2%	\$ 10.1 3.1%	\$ 13.6 4.1%	\$ 5.9 1.8%	\$ 0.6 0.2%	\$ 4.1 1.2%	\$ 41.5 12.6%
Contracted Services	(4.0) -1.2%	23.1 7.0%	(8.3) -2.5%	(3.2) -1.0%	(5.8) -1.8%	2.1 0.6%	4.0 1.2%
Other State Operations	98.9 29.9%	(2.4) -0.7%	(2.5) -0.7%	2.1 0.6%	(0.3) -0.1%	0.1 0.0%	95.9 29.0%
Aid to Local Units of Government	0.0 0.0%	- 0.0%	33.7 10.2%	- 0.0%	- 0.0%	- 0.0%	33.7 10.2%
Assistance, Grants, & Benefits	(69.5) -21.0%	190.4 57.5%	12.0 3.6%	(1.8) -0.5%	0.1 0.0%	2.9 0.9%	134.0 40.5%
Capital	(16.2) -4.9%	0.3 0.1%	(12.2) -3.7%	7.7 2.3%	(15.3) -4.6%	49.9 15.1%	14.1 4.3%
Debt Service	9.1 2.7%	- 0.0%	2.3 0.7%	- 0.0%	- 0.0%	- 0.0%	11.3 3.4%
Operating Transfers	(3.6) -1.1%	0.0 0.0%	- 0.0%	- 0.0%	- 0.0%	(0.1) 0.0%	(3.7) -1.1%
Total	\$ 22.0 6.6%	\$ 221.5 66.9%	\$ 38.6 11.7%	\$ 10.7 3.2%	\$ (20.8) -6.3%	\$ 59.0 17.8%	\$ 330.9 100.0%

Expenditures from All Funds

FY 2015 Enacted	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 220.7 2.5%	\$ 367.8 4.2%	\$ 504.3 5.7%	\$ 365.1 4.2%	\$ 50.2 0.6%	\$ 73.1 0.8%	\$ 1,581.2 18.0%
Contracted Services	44.4 0.5%	104.3 1.2%	68.1 0.8%	16.6 0.2%	8.3 0.1%	39.2 0.4%	280.9 3.2%
Other State Operations	406.0 4.6%	89.4 1.0%	210.9 2.4%	49.0 0.6%	11.7 0.1%	27.4 0.3%	794.4 9.0%
Aid to Local Units of Government	78.3 0.9%	- 0.0%	1,126.9 12.8%	- 0.0%	- 0.0%	- 0.0%	1,205.2 13.7%
Assistance, Grants & Benefits	461.8 5.3%	3,159.9 36.0%	342.6 3.9%	55.5 0.6%	6.6 0.1%	42.8 0.5%	4,069.2 46.3%
Capital	42.8 0.5%	15.5 0.2%	53.2 0.6%	42.7 0.5%	31.9 0.4%	226.6 2.6%	412.5 4.7%
Debt Service	224.2 2.6%	- 0.0%	54.9 0.6%	- 0.0%	- 0.0%	- 0.0%	279.0 3.2%
Operating Transfers	35.4 0.4%	6.2 0.1%	- 0.0%	- 0.0%	0.1 0.0%	116.1 1.3%	157.8 1.8%
Total	\$ 1,513.4 17.2%	\$ 3,743.1 42.6%	\$ 2,360.9 26.9%	\$ 528.8 6.0%	\$ 108.8 1.2%	\$ 525.1 6.0%	\$ 8,780.2 100.0%

FY 2015 Change to Enacted	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ (2.2) -0.4%	\$ 12.9 2.3%	\$ 12.6 2.2%	\$ 5.0 0.9%	\$ 0.5 0.1%	\$ 4.1 0.7%	\$ 32.9 5.8%
Contracted Services	(2.9) -0.5%	22.2 3.9%	(8.3) -1.5%	(4.0) -0.7%	(5.2) -0.9%	2.1 0.4%	3.9 0.7%
Other State Operations	99.5 17.5%	(2.4) -0.4%	(2.6) -0.5%	1.6 0.3%	(0.4) -0.1%	(12.4) -2.2%	83.3 14.7%
Aid to Local Units of Government	5.0 0.9%	- 0.0%	30.4 5.4%	- 0.0%	- 0.0%	- 0.0%	35.4 6.3%
Assistance, Grants & Benefits	(67.8) -12.0%	413.9 73.0%	11.1 2.0%	(1.4) -0.2%	0.4 0.1%	2.9 0.5%	359.2 63.3%
Capital	(10.4) -1.8%	(9.2) -1.6%	(2.4) -0.4%	6.8 1.2%	(7.5) -1.3%	53.2 9.4%	30.5 5.4%
Debt Service	8.7 1.5%	- 0.0%	2.2 0.4%	- 0.0%	- 0.0%	- 0.0%	11.0 1.9%
Operating Transfers	(4.0) -0.7%	0.0 0.0%	- 0.0%	- 0.0%	- 0.0%	14.9 2.6%	11.0 1.9%
Total	\$ 25.9 4.6%	\$ 437.3 77.1%	\$ 43.0 7.6%	\$ 8.1 1.4%	\$ (12.1) -2.1%	\$ 64.9 11.4%	\$ 567.1 100.0%

Expenditures from All Funds

FY 2015 Change to Governor	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ (9.5) -4.0%	\$ 2.8 1.2%	\$ (1.0) -0.4%	\$ (0.9) -0.4%	\$ (0.1) 0.0%	\$ - 0.0%	\$ (8.6) -3.7%
Contracted Services	1.1 0.5%	(0.9) -0.4%	- 0.0%	(0.8) -0.4%	0.6 0.2%	- 0.0%	(0.1) 0.0%
Other State Operations	0.5 0.2%	(0.0) 0.0%	(0.2) -0.1%	(0.5) -0.2%	(0.0) 0.0%	(12.5) -5.3%	(12.7) -5.4%
Aid to Local Units of Government	5.0 2.1%	- 0.0%	(3.3) -1.4%	- 0.0%	- 0.0%	- 0.0%	1.7 0.7%
Assistance, Grants & Benefits	1.7 0.7%	223.6 94.6%	(0.9) -0.4%	0.4 0.2%	0.4 0.2%	- 0.0%	225.1 95.3%
Capital	5.7 2.4%	(9.5) -4.0%	9.8 4.2%	(0.8) -0.3%	7.8 3.3%	3.3 1.4%	16.4 6.9%
Debt Service	(0.3) -0.1%	- 0.0%	(0.0) 0.0%	- 0.0%	- 0.0%	- 0.0%	(0.4) -0.2%
Operating Transfers	(0.3) -0.1%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	15.1 6.4%	14.7 6.2%
Total	\$ 4.0 1.7%	\$ 215.8 91.4%	\$ 4.4 1.9%	\$ (2.6) -1.1%	\$ 8.7 3.7%	\$ 5.9 2.5%	\$ 236.2 100.0%

FY 2015 Change to FY 2013	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 11.5 1.1%	\$ 33.6 3.1%	\$ 21.4 2.0%	\$ 17.8 1.7%	\$ 1.3 0.1%	\$ 18.4 1.7%	\$ 104.0 9.7%
Contracted Services	4.0 0.4%	25.8 2.4%	(10.0) -0.9%	1.4 0.1%	3.1 0.3%	(1.1) -0.1%	23.2 2.2%
Other State Operations	80.4 7.5%	5.0 0.5%	13.4 1.3%	5.4 0.5%	2.7 0.3%	10.6 1.0%	117.5 11.0%
Aid to Local Units of Government	10.5 1.0%	- 0.0%	76.3 7.1%	- 0.0%	- 0.0%	- 0.0%	86.8 8.1%
Assistance, Grants & Benefits	(128.6) -12.0%	616.8 57.6%	38.4 3.6%	4.6 0.4%	1.7 0.2%	21.4 2.0%	554.4 51.8%
Capital	21.9 2.0%	10.6 1.0%	9.7 0.9%	25.8 2.4%	27.7 2.6%	89.5 8.4%	185.2 17.3%
Debt Service	51.7 4.8%	- 0.0%	3.2 0.3%	- 0.0%	- 0.0%	- 0.0%	54.9 5.1%
Operating Transfers	(34.3) -3.2%	4.0 0.4%	(2.8) -0.3%	- 0.0%	0.1 0.0%	(21.8) -2.0%	(54.9) -5.1%
Total	\$ 17.1 1.6%	\$ 695.7 65.0%	\$ 149.6 14.0%	\$ 55.0 5.1%	\$ 36.5 3.4%	\$ 117.1 10.9%	\$ 1,070.9 100.0%

Expenditures from General Revenues

FY 2013 Reported	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 134.1 4.2%	\$ 181.7 5.7%	\$ 127.9 4.0%	\$ 323.1 10.0%	\$ 28.8 0.9%	\$ - 0.0%	\$ 795.6 24.7%
Contracted Services	6.3 0.2%	18.8 0.6%	7.8 0.2%	10.9 0.3%	0.3 0.0%	- 0.0%	44.1 1.4%
Other State Operations	38.3 1.2%	18.0 0.6%	24.8 0.8%	35.3 1.1%	6.2 0.2%	- 0.0%	122.7 3.8%
Aid to Local Units of Government	66.9 2.1%	- 0.0%	888.9 27.6%	- 0.0%	- 0.0%	- 0.0%	955.8 29.7%
Assistance, Grants, & Benefits	12.8 0.4%	1,026.0 31.9%	32.8 1.0%	28.4 0.9%	0.7 0.0%	- 0.0%	1,100.8 34.2%
Capital	4.5 0.1%	0.3 0.0%	3.7 0.1%	0.9 0.0%	0.3 0.0%	- 0.0%	9.7 0.3%
Debt Service	128.7 4.0%	- 0.0%	25.3 0.8%	- 0.0%	- 0.0%	- 0.0%	154.0 4.8%
Operating Transfers	34.9 1.1%	(1.6) 0.0%	0.1 0.0%	- 0.0%	- 0.0%	- 0.0%	33.3 1.0%
Total	\$ 426.5 13.3%	\$ 1,243.3 38.7%	\$ 1,111.3 34.6%	\$ 398.6 12.4%	\$ 36.3 1.1%	\$ - 0.0%	\$ 3,216.0 100.0%

FY 2014 Enacted	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 141.9 4.2%	\$ 185.1 5.5%	\$ 129.4 3.9%	\$ 331.8 9.9%	\$ 29.5 0.9%	\$ - 0.0%	\$ 817.7 24.3%
Contracted Services	6.4 0.2%	21.4 0.6%	7.8 0.2%	12.4 0.4%	0.4 0.0%	- 0.0%	48.4 1.4%
Other State Operations	40.0 1.2%	19.9 0.6%	24.8 0.7%	37.3 1.1%	6.4 0.2%	- 0.0%	128.4 3.8%
Aid to Local Units of Government	72.3 2.2%	- 0.0%	922.3 27.5%	- 0.0%	- 0.0%	- 0.0%	994.6 29.6%
Assistance, Grants, & Benefits	15.8 0.5%	1,089.0 32.4%	39.2 1.2%	29.5 0.9%	0.7 0.0%	- 0.0%	1,174.0 34.9%
Capital	1.7 0.0%	0.7 0.0%	2.7 0.1%	1.0 0.0%	0.0 0.0%	- 0.0%	6.1 0.2%
Debt Service	157.4 4.7%	- 0.0%	26.3 0.8%	- 0.0%	- 0.0%	- 0.0%	183.7 5.5%
Operating Transfers	5.0 0.1%	1.8 0.1%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	6.8 0.2%
Total	\$ 440.4 13.1%	\$ 1,317.9 39.2%	\$ 1,152.6 34.3%	\$ 412.0 12.3%	\$ 36.9 1.1%	\$ - 0.0%	\$ 3,359.8 100.0%

Expenditures from General Revenues

FY 2015 Recommended	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 145.7 4.2%	\$ 184.0 5.3%	\$ 137.2 4.0%	\$ 336.9 9.7%	\$ 29.9 0.9%	\$ - 0.0%	\$ 833.8 24.1%
Contracted Services	5.9 0.2%	27.6 0.8%	8.0 0.2%	12.1 0.3%	0.4 0.0%	- 0.0%	54.0 1.6%
Other State Operations	39.6 1.1%	20.4 0.6%	27.0 0.8%	36.8 1.1%	6.2 0.2%	- 0.0%	129.9 3.8%
Aid to Local Units of Government	72.3 2.1%	- 0.0%	964.2 27.9%	- 0.0%	- 0.0%	- 0.0%	1,036.6 30.0%
Assistance, Grants, & Benefits	15.5 0.4%	1,086.1 31.4%	42.6 1.2%	28.9 0.8%	0.6 0.0%	- 0.0%	1,173.8 34.0%
Capital	1.4 0.0%	0.6 0.0%	1.5 0.0%	1.0 0.0%	0.0 0.0%	- 0.0%	4.4 0.1%
Debt Service	187.6 5.4%	- 0.0%	27.3 0.8%	- 0.0%	- 0.0%	- 0.0%	214.9 6.2%
Operating Transfers	7.1 0.2%	1.8 0.1%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	8.8 0.3%
Total	\$ 475.2 13.7%	\$ 1,320.5 38.2%	\$ 1,207.8 34.9%	\$ 415.6 12.0%	\$ 37.1 1.1%	\$ - 0.0%	\$ 3,456.1 100.0%

FY 2015 Recommended Change to Enacted	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 3.8 4.0%	\$ (1.2) -1.2%	\$ 7.8 8.1%	\$ 5.1 5.3%	\$ 0.4 0.4%	\$ - 0.0%	\$ 16.0 16.6%
Contracted Services	(0.4) -0.4%	6.2 6.5%	0.2 0.2%	(0.4) -0.4%	(0.0) 0.0%	- 0.0%	5.6 5.8%
Other State Operations	(0.4) -0.4%	0.5 0.5%	2.1 2.2%	(0.5) -0.6%	(0.2) -0.3%	- 0.0%	1.4 1.5%
Aid to Local Units of Government	0.1 0.1%	- 0.0%	41.9 43.5%	- 0.0%	- 0.0%	- 0.0%	42.0 43.6%
Assistance, Grants, & Benefits	(0.2) -0.3%	(2.9) -3.0%	3.4 3.6%	(0.5) -0.6%	(0.0) 0.0%	- 0.0%	(0.2) -0.3%
Capital	(0.3) -0.3%	(0.2) -0.2%	(1.2) -1.3%	(0.0) 0.0%	0.0 0.0%	- 0.0%	(1.7) -1.8%
Debt Service	30.2 31.4%	- 0.0%	1.0 1.0%	- 0.0%	- 0.0%	- 0.0%	31.2 32.4%
Operating Transfers	2.0 2.1%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	2.0 2.1%
Total	\$ 34.8 36.1%	\$ 2.5 2.6%	\$ 55.2 57.3%	\$ 3.7 3.8%	\$ 0.1 0.1%	\$ - 0.0%	\$ 96.3 100.0%

Expenditures from General Revenues

FY 2015 Enacted	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 141.3 4.1%	\$ 184.7 5.4%	\$ 136.7 4.0%	\$ 336.0 9.8%	\$ 29.8 0.9%	\$ - 0.0%	\$ 828.6 24.1%
Contracted Services	5.9 0.2%	26.2 0.8%	8.0 0.2%	11.2 0.3%	0.4 0.0%	- 0.0%	51.7 1.5%
Other State Operations	39.6 1.1%	20.4 0.6%	27.0 0.8%	36.1 1.0%	6.2 0.2%	- 0.0%	129.2 3.7%
Aid to Local Units of Government	77.3 2.2%	- 0.0%	961.0 27.9%	- 0.0%	- 0.0%	- 0.0%	1,038.3 30.1%
Assistance, Grants & Benefits	12.7 0.4%	1,108.3 32.2%	37.8 1.1%	29.0 0.8%	1.4 0.0%	- 0.0%	1,189.2 34.5%
Capital	1.4 0.0%	0.6 0.0%	1.5 0.0%	0.9 0.0%	0.0 0.0%	- 0.0%	4.4 0.1%
Debt Service	168.1 4.9%	- 0.0%	27.3 0.8%	- 0.0%	- 0.0%	- 0.0%	195.3 5.7%
Operating Transfers	6.7 0.2%	1.8 0.1%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	8.5 0.2%
Total	\$ 453.0 13.1%	\$ 1,342.0 39.0%	\$ 1,199.2 34.8%	\$ 413.2 12.0%	\$ 37.7 1.1%	\$ - 0.0%	\$ 3,445.2 100.0%

FY 2015 Change to Enacted	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ (0.6) -0.7%	\$ (0.4) -0.5%	\$ 7.3 8.6%	\$ 4.2 4.9%	\$ 0.3 0.4%	\$ - 0.0%	\$ 10.9 12.7%
Contracted Services	(0.5) -0.5%	4.9 5.7%	0.2 0.2%	(1.2) -1.4%	(0.0) 0.0%	- 0.0%	3.3 3.9%
Other State Operations	(0.4) -0.5%	0.5 0.6%	2.1 2.5%	(1.2) -1.4%	(0.2) -0.3%	- 0.0%	0.8 0.9%
Aid to Local Units of Government	5.1 5.9%	- 0.0%	38.6 45.2%	- 0.0%	- 0.0%	- 0.0%	43.7 51.2%
Assistance, Grants & Benefits	(3.1) -3.6%	19.3 22.6%	(1.3) -1.5%	(0.5) -0.6%	0.7 0.8%	- 0.0%	15.2 17.8%
Capital	(0.3) -0.3%	(0.2) -0.2%	(1.2) -1.4%	(0.1) -0.1%	0.0 0.0%	- 0.0%	(1.8) -2.1%
Debt Service	10.7 12.5%	- 0.0%	1.0 1.1%	- 0.0%	- 0.0%	- 0.0%	11.6 13.6%
Operating Transfers	1.7 2.0%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	1.7 2.0%
Total	\$ 12.6 14.8%	\$ 24.1 28.2%	\$ 46.7 54.6%	\$ 1.2 1.4%	\$ 0.8 0.9%	\$ - 0.0%	\$ 85.4 100.0%

Expenditures from General Revenues

FY 2015 Change to Governor	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ (4.4) 40.5%	\$ 0.8 -6.9%	\$ (0.5) 4.6%	\$ (0.9) 8.3%	\$ (0.1) 0.7%	\$ - 0.0%	\$ (5.2) 47.3%
Contracted Services	(0.0) 0.4%	(1.4) 12.7%	- 0.0%	(0.8) 7.6%	- 0.0%	- 0.0%	(2.3) 20.7%
Other State Operations	(0.0) 0.1%	(0.0) 0.0%	- 0.0%	(0.7) 6.1%	- 0.0%	- 0.0%	(0.7) 6.2%
Aid to Local Units of Government	5.0 -45.8%	- 0.0%	(3.3) 29.8%	- 0.0%	- 0.0%	- 0.0%	1.7 -16.0%
Assistance, Grants & Benefits	(2.8) 25.7%	22.2 -203.2%	(4.7) 43.4%	0.0 -0.3%	0.8 -6.9%	- 0.0%	15.4 -141.3%
Capital	- 0.0%	- 0.0%	- 0.0%	(0.1) 0.5%	- 0.0%	- 0.0%	(0.1) 0.5%
Debt Service	(19.6) 179.2%	- 0.0%	(0.0) 0.4%	- 0.0%	- 0.0%	- 0.0%	(19.6) 179.7%
Operating Transfers	(0.3) 3.0%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	(0.3) 3.0%
Total	\$ (22.2) 203.2%	\$ 21.6 -197.4%	\$ (8.5) 78.2%	\$ (2.4) 22.2%	\$ 0.7 -6.1%	\$ - 0.0%	\$ (10.9) 100.0%

FY 2015 Change to FY 2013	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 7.2 3.1%	\$ 3.0 1.3%	\$ 8.8 3.8%	\$ 12.9 5.6%	\$ 1.1 0.5%	\$ - 0.0%	\$ 33.0 14.4%
Contracted Services	(0.4) -0.2%	7.5 3.3%	0.2 0.1%	0.3 0.1%	0.1 0.0%	- 0.0%	7.7 3.3%
Other State Operations	1.2 0.5%	2.4 1.0%	2.1 0.9%	0.8 0.3%	(0.1) 0.0%	- 0.0%	6.5 2.8%
Aid to Local Units of Government	10.4 4.6%	- 0.0%	72.1 31.5%	- 0.0%	- 0.0%	- 0.0%	82.5 36.0%
Assistance, Grants & Benefits	(0.1) 0.0%	82.2 35.9%	5.0 2.2%	0.6 0.3%	0.6 0.3%	- 0.0%	88.4 38.6%
Capital	(3.1) -1.4%	0.3 0.1%	(2.2) -1.0%	(0.0) 0.0%	(0.3) -0.1%	- 0.0%	(5.3) -2.3%
Debt Service	39.4 17.2%	- 0.0%	1.9 0.8%	- 0.0%	- 0.0%	- 0.0%	41.3 18.0%
Operating Transfers	(28.1) -12.3%	3.4 1.5%	(0.1) 0.0%	- 0.0%	- 0.0%	- 0.0%	(24.8) -10.8%
Total	\$ 26.5 11.6%	\$ 98.7 43.1%	\$ 88.0 38.4%	\$ 14.6 6.4%	\$ 1.4 0.6%	\$ - 0.0%	\$ 229.1 100.0%

